

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

In re:)
) Case No. 08-35653-KRH
CIRCUIT CITY STORES, INC., et al.,) Chapter 11
)
Debtors.) (Jointly Administered)

**OBJECTION OF PREMIER RETAIL INTERIORS, INC, AS SUCCESSOR IN
INTEREST TO QUANTUM FINE CASEWORK, INC. TO ORDER PURSUANT
TO 11 U.S.C. SECTIONS 105(A), 365(A) AND 554 AND FED. R. BANKR. P. 6006
AUTHORIZING REJECTION OF UNEXPIRED LEASES OF
NON-RESIDENTIAL REAL PROPERTY AND ABANDONMENT OF
PERSONAL PROPERTY EFFECTIVE AS OF THE PETITION DATE**

Premier Retail Interiors, Inc. a Delaware corporation, ("Premier"), by and through its undersigned counsel, hereby objects to the *Order Pursuant to 11 U.S.C. Sections 105(a), 365(a) and 554 and Fed. R. Bankr. P. 6006 Authorizing Rejection of Unexpired Leases of Non-Residential Real Property and Abandonment of Personal Property Effective as of the Petition Date* ("Rejection Order"), and in support thereof, respectfully states as follows:

BACKGROUND

1. On November 10, 2008 ("Petition Date"), the above-captioned debtors and debtors-in-possession (collectively, "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code ("Bankruptcy Code").

2. On the Petition Date, the Debtors filed the *Debtors' Motion for Order Pursuant to 11 U.S.C. Sections 105(a), 365(a) and 554 and Fed. R. Bankr. P. 6006 Authorizing Rejection of*

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Unexpired Leases of Non-Residential Real Property and Abandonment of Personal Property Effective as of the Petition Date (“Rejection Motion”), in which they seek authority to (a) reject certain leases effective as of the Petition Date and (b) abandon personal property at such leased locations.

3. Premier is the sublessee pursuant to that certain Sublease between Circuit City Stores, Inc. and Premier, dated as of January 28, 2003 (“Lease”) for the sublease of certain premises located at 3245 Meridian Parkway Fort Lauderdale, Florida (“Premises”).

4. On November 10, 2008, the Court entered the Rejection Order, which authorized and approved the rejection of the Lease as of the Petition Date. The Court also granted Premier the opportunity to object to the relief granted by the Court in the Rejection Order.

6. Premier has been in possession of the Premises since February 3, 2003 and has made all rental payments required under and pursuant to the Lease, including but not limited to rent for the month of November, 2008 and a security deposit in the original amount of \$182,750.00, with interest (the “Security Deposit”). As of the date of this Objection, Premier remains in possession of the Premises. Pursuant to paragraph 4 of the Lease the Security Deposit was required to “be deposited in a separate interest- bearing account with interest”. The Debtors have not provided Premier with the return of the Security Deposit.

PREMIER’S OBJECTION TO THE AGENCY MOTION AND BASIS THEREFOR

7. Premier objects to the rejection of the Lease effective as of the Petition Date because the Debtors have not refunded the Security Deposit to Premier because the Debtor accepted rent for the month of November, and Premier is not free to lease the space from the current owner of the Premises at this time.

8. Based on the foregoing, Premier respectfully submits that rejection of the Lease as of the Petition Date is not appropriate. The Debtors should not be able to reject the Lease until the Security Deposit is refunded to Premier, all rent payments for time periods arising after the rejection of the Lease and all payments of insurance and taxes have been delivered to Premier or to the owner of the Premises. Moreover, the Debtors should not be relieved of their obligations under the Lease to Premier, including, but not limited to, their obligations to maintain the Premises, until the Lease is actually rejected.

9. Finally, Premier objects to the Rejection Order to the extent it precludes Premier from requesting allowance of an administrative expense claim with respect to recovery of the Security Deposit, and refund of payments for taxes and insurance which have not actually been made by the Debtor to the tax collector or insurance company repair costs. Nothing in the Rejection Order should pre-determine the nature of any claims that Premier may assert with respect to such costs.

WHEREFORE, Premier respectfully requests that the Court enter an order that denies the Rejection Motion and that grants Landlord such further and additional relief as the Court may deem just and proper.

Dated: November 20, 2008

CHRISTIAN & BARTON, LLP

By: /s/ Jennifer M. McLemore
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CERTIFICATE OF SERVICE

I hereby certify that on the 20th day of November, 2008, I caused a copy of the foregoing to be served by electronic means on the “2002” and “Core” lists and through the ECF system.

/s/ Jennifer M. McLemore
Jennifer M. McLemore

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